


HEA 1260—OVERVIEW AND UPDATE

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HEA 1260 What is the intent?

- To establish a baseline for schools to compare their employee health insurance expenses.
- To drive as many dollars into student achievement as possible by ensuring health care plans are reasonable and purchased efficiently.
- To make more group purchasing options available to school corporations.



HEA 1260 What is the intent?

- Our goal is NOT to force schools into the state's health care plan.
- Explore your options in purchasing and plan design to where you can realize true savings—benchmark on your own, join a consortium, etc.
- We want a process that is simple and transparent as possible in order for you to meet the desired outcomes.

HEA 1260—WHAT WE KNOW TODAY

- The state will continue to meet with interested parties through July to garner input on how to best define "employer cost of coverage."
- We do expect that schools will include all fees, commissions, bonuses, etc. paid to brokers/providers into the cost of coverage calculation.
- The law (sec 5.2) does not specify how dependent audits should be conducted—utilize internal or external sources most efficient and cost effective to you.

HEA 1260—TIMELINE & KEY DATES

- By September 30th the State will publish a form for reporting.
- 1st report is due December 31, 2011—we will publish guidelines on which state benchmark to compare your plan to depending on when your benefit plan year ends.
- If school's contribution exceeds State's contribution by 12%, the school has 45 days from the date of the renewal to submit a plan for compliance.

WHERE HAS THE STATE REALIZED SUCCESS?

- The state currently offers three plans—one traditional plan and two consumer-driven health plans (CDHPs).
- 85% of plan participants are currently enrolled in CDHPs.
- While significantly containing our costs, the CDHP participants have developed a strong consumerism mindset on how to best spend their healthcare dollars. This truly has an impact on containing the cost of healthcare.

**WHERE CAN YOU FIND MORE
INFORMATION ON THE
STATE PLANS?**

<http://www.in.gov/spd/2589.htm>

Contact the State Personnel Department, Benefits
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